

THE CONCURRENT BUDGET RESOLUTION

Mr. ROBB. Mr. President, earlier today I supported and the Senate passed a budget resolution negotiated primarily by the leadership of the legislative and executive branches of our Government.

I supported this budget resolution, notwithstanding some major disappointments with both the process and the result.

I qualify my support for the final agreement because I believe it falls well short of the goals that we should have for a responsible fiscal policy to guide our Nation over the next 5 years and beyond.

But in the end, I recognize that this is probably the best product the congressional leadership and this administration could agree on, and that we're much better off doing something than doing nothing.

And reaching this general consensus will free the Congress to get on with many of the important matters that continuing gridlock would have postponed.

The commitment to reach a balanced budget early in the next century can trace its roots to the hard work done by the President in 1993 and the insistence last Congress, by the new congressional majority, that we set 2002 as a "date certain" to actually reach balance.

And I think it's fair to add that I doubt this agreement would have been possible without the bipartisan groundwork laid by the Centrist Coalition, a group of 22 Senators evenly divided between both sides of the aisle.

Our budget was the only balanced budget plan introduced last year which received bipartisan support.

Since passing the administration's deficit reduction package in 1993, we have brought the deficit down from \$290 billion to what most forecasters expect will be a \$67 billion deficit this year.

With the aid of lower deficits, low interest rates, and low inflation, the economy continues to expand, bringing unemployment down to 4.9 percent and filling the Federal Treasury with unexpected receipts.

These fundamentals, which I believe were set in motion with the passage of the 1993 plan, have now put a balanced budget within our grasp, even if we're relying on some optimistic assumptions about revenues on future Congresses making tougher decisions than we are making in this budget, and on the Social Security surplus to reach that future balance.

This is not an insignificant event. The last time the Federal Government submitted a balanced budget was in 1968—for fiscal year 1969—and the surplus that year was only \$3.2 billion.

As one who came to the Senate in January 1989 pledging to do all I could to eliminate persistent budget deficits, the prospect of actually reaching our goal, even 5 years down the road, is certainly a welcome milestone.

As I have already noted, however, this agreement is not all I had hoped it would be.

First, I'm very concerned about the assumptions which underlie the plan.

Less than 3 weeks ago, negotiators were putting the finishing touches on this same basic budget outline, with a deficit of approximately \$50 billion in 2002.

It was only after the Congressional Budget Office revised its revenue forecasts that negotiations were able to claim a balanced budget.

To fully understand the impact of the CBO revision, the deficit projections for the next 5 years are now a total of \$250 billion less than what CBO projected in January.

If we want to increase the likelihood that we will actually achieve balance, it seems to me that we would want to use the most conservative economic forecast that we have.

If we err in our projections, I would rather err on the side of doing more deficit reduction than less than what is needed to do the job.

But even if the more optimistic assumptions come true and we do balance the unified budget in 2002, this plan does little to address the long-term fiscal challenges we face, and in some ways may exacerbate them.

While the budget calls for some modest steps to restrain the growth of entitlement spending, in the areas of Medicare and Medicaid, these modest steps do not prevent entitlement spending from taking a larger share of the budget.

Mandatory spending in the form of entitlements and interest on the debt will consume over 70 percent of the budget by 2002.

This represents a complete reversal from 30 years ago when 70 percent of the budget went for defense and other discretionary investments.

And as mandatory spending takes up a greater share of the budget, that leaves less room for investments in human and physical capital that enhance future productivity and economic growth.

Not only does this budget not call for significant entitlement reform, the inclusion of tax cuts with large out-year costs also exacerbates our long-term fiscal problems.

As all of us know, we face a demographic wave, called the baby boom generation, that will double the number of people eligible for Social Security, and Medicare, between now and 2030.

By not addressing the long-term costs of Medicare and Social Security, and by failing to adopt an accurate measure of cost-of-living changes, entitlements will continue to grow at an unsustainable pace. That is at the same time, the tax cuts in this budget plan will take away the revenue needed to finance these expenditures.

The most likely result of this scenario is the continued cutbacks on defense and other discretionary priorities

in the future or even larger budget deficits than what we have faced in the past.

As a result, I view this budget as more of a missed opportunity to address our long-term fiscal challenges rather than the budget balancing achievement that many are celebrating.

Notwithstanding my reservations about this agreement, however, and my disappointment in some of its elements, I applaud the President and the congressional leadership for their efforts to end the gridlock and reach a compromise that both sides could live with, even though the deal closers were more spending to satisfy Democrats and more tax cuts to satisfy Republicans—tax cuts I might add that are made with borrowed money. Less of each would have eased the debt burden we are passing on to future generations, and I will work with my colleagues to make it a more fiscally responsible plan along the way.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Michigan.

Mr. ABRAHAM. Mr. President, in order to accommodate several Senators who wish to speak, I now ask unanimous consent that the following Senators be recognized to speak in the morning period in the order in which they are listed: Senator ABRAHAM for 15 minutes, Senator BYRD, and then Senator GRAMS.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Michigan is recognized.

Mr. ABRAHAM. I thank the Chair. (The remarks of Mr. ABRAHAM pertaining to the introduction of S. 810 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ABRAHAM. I thank the Chair and other Members for their courtesy today. With that, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I have been asked by Mr. DORGAN to ask unanimous consent that following the order recognizing Mr. GRAMS, which has already been entered, that he, Mr. DORGAN, be recognized for not to exceed 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I have been asked to also ask unanimous consent that following Mr. DORGAN, Mr. GORTON be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RELATIONS BETWEEN THE SEXES IN THE MILITARY

Mr. BYRD. Mr. President, the case of Air Force 1st Lt. Kelly Flinn has highlighted the need for an independent review of gender relations in the services.